

**Report to
Rapport au:**

**Standing Committee on Environmental Protection, Water and Waste Management
Comité permanent de la protection de l'environnement, de l'eau et de la gestion
des déchets**

16 June 2020 / 16 juin 2020

Submitted on June 5, 2020

Soumis le 5 juin 2020

Submitted by

Soumis par:

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2020-FSD-REV-0004

SUBJECT: General Accounts – Water, Wastewater and Stormwater Write-offs

**OBJET: Comptes généraux – Radiations d'eau, d'eaux usées et d'eaux
pluviales**

REPORT RECOMMENDATIONS

That the Standing Committee on Environmental Protection, Water and Waste Management receive this report on the 2019 general accounts write-off for the years 2014 to 2019 of \$497,354 as required by the Delegation of Authority By-law No. 2019-280.

RECOMMANDATIONS DU RAPPORT

Que le Comité permanent de la protection de l'environnement, de l'eau et de la gestion des déchets reçoive ce rapport concernant la radiation d'un montant de 497,354\$ des comptes généraux de 2019 pour les années 2014 à 2019, tel que l'exige le Règlement sur la délégation de pouvoirs N° 2019-280.

BACKGROUND

This report addresses the water, wastewater and stormwater accounts for the years 2014 to 2019 that the Chief Financial Officer determined in 2019 are uncollectible and has therefore written off.

Revenue Services is responsible for the collection of all accounts billed through the City's Water Utility Billing System for water, wastewater and stormwater services.

Revenue Services has implemented a rigorous collection process for follow-up of outstanding account balances. The collection activities include, telephone calls, notices, tax rolling unpaid amounts, shutting off water services and partnering with three private collection agencies to collect outstanding balances. To reduce the City's financial risk in instances where the debt cannot be paid in full, the City enters into a formal repayment or extension agreement.

The rate of collection of Revenue Services is one of the highest in the province. In 2019, the City water billing invoiced approximately \$360 million for water, wastewater and stormwater services, this represents a collection rate of 99.86%.

DISCUSSION

Revenue Services makes every effort to collect all accounts receivable due to the City. These efforts include letters, telephone calls, tax rolling unpaid amounts, shutting off services, referral to Legal Services to initiate a claim and assignment to private collection agencies. In some instances, for reasons that are often beyond the City's control, full or partial amounts due cannot be paid. Some of the reasons include death,

bankruptcy, indigence, legal recommendation, expiry of the limitation period to commence a legal claim and administrative errors related to the billing.

In accordance with section 21 of the Delegation of Authority By-law No. 2019-280, the Chief Financial Officer / Treasurer is authorized to write off general accounts receivable which the Chief Financial Officer / Treasurer has determined to be uncollectible. This exercise of delegated authority must be reported annually to the appropriate Standing Committee. The list of amounts that have been written off over the previous year and the justification for writing off each item reported are maintained by the Acting Deputy City Treasurer, Revenue.

Prior to 2019, the last water and sewer write-off was reported in 2014. Given the City was replacing its water billing system staff continued to work diligently to collect on these outstanding accounts while Revenue Services awaited the implementation of a more robust and advanced billing and collections system. The new system was fully implemented in February 2019, resulting in an improved collections process. Write-offs were therefore processed after the system implementation in 2019.

Document 1, on file with the Acting Deputy City Treasurer, Revenue, outlines the 548 water, wastewater and stormwater accounts totalling \$497,354 determined to be uncollectible in 2019 that have been removed from the City's financial system. This represents an overall collection rate of 99.86%.

During 2015 to 2019, no repayment agreements were executed for a water and sewer account. The repayment agreement executed in 2014 has been paid in full.

The Finance Department requires that all write-offs be charged back against the water, wastewater and stormwater business area in accordance with City policy. The reported write-offs have been charged back to the appropriate business areas, and have been reported in the water, wastewater and stormwater 2019 year-end financials.

RURAL IMPLICATIONS

There are no rural implications to receiving the information in this report.

CONSULTATION

The public consultation process is not applicable.

COMMENTS BY THE WARD COUNCILLOR(S)

There are no comments by ward councillors.

LEGAL IMPLICATIONS

There are no legal impediments to receiving the information in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications to receiving the information in this report.

FINANCIAL IMPLICATIONS

Financial implications were identified in the body of this report.

ACCESSIBILITY IMPACTS

There are no accessibility implications to receiving the information in this report.

TERM OF COUNCIL PRIORITIES

This meets Council's priority with respect to Financial Responsibility.

SUPPORTING DOCUMENTATION

Supporting documentation is on file with the Acting Deputy City Treasurer, Revenue.

DISPOSITION

This report is for information purposes only. No further action is required once received by Committee.